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Walter V. Wendler

Southern Illinois University Carbondale, wendler@siu.edu

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Our University: Beating High Costs

Who cares about students as higher education becomes big business?

The Justice Department plans to intervene in a whistle-blower lawsuit charging that one of the nation's largest for-profit college companies, the Education Management Corporation, defrauded the government by illegally paying recruiters based on the number of students they enrolled, according to a Securities and Exchange Commission filing on Monday.

Tamar Lewin, in the New York Times, May 2, 2011

In a May 11, 2011, memo, William Taggart, Chief Operating Officer, Federal Student Aid, said, "The draft FY 2009 national student loan cohort default rate is 8.9 percent. The draft rate increased from the national FY 2008 official rate of 7.0 percent and the national FY 2007 official rate of 6.7 percent."

These are the highest default rates on record with some commentators suggesting a rise to 30% in the next year or two. College debt cannot be discharged through bankruptcy. College admissions officials seeking to grow enrollments by accepting students unprepared to achieve success is an act that is nearly criminal. The justice department may declare it to be so. Traditional public and private institutions may be guilty of the same indiscretion under the guise of providing opportunity.

It's no wonder some parents and students feel duped.

The community college offers the surest way to reduce costs and get a low impact road test of a student's propensity for academic success. Students who finish associates degrees and transfer to research universities are more likely to complete their bachelor's degrees than native freshmen at most research universities.

David Leonhardt suggests in a New York Times piece from May 24, 2011, that, "Many community colleges have horrifically high dropout rates, but the students who succeed there are often inspiring."

More importantly, those who don't finish an associate's degree avoid tens of thousands of dollars in debt if they decide that college is not where they should be at this point in their lives.

Assuming they continue to live at home, students who attend a community college like John A. Logan College in Carterville, Ill, will spend about \$2,000 on tuition and fees each year, or about \$4,000 for an associate's degree. If they make sure that courses transfer, they can finish at Southern Illinois University Carbondale for an additional \$41,296, with on-campus housing and food for their final two years, making the total 2+2 cost of attendance \$45,112, a 45% savings. If, instead, they had enrolled at SIUC straight through for four years, they would spend \$82,592 in current dollars.

At Berkeley, choosing a 2+2 experience drops the cost of a Cal degree from \$111,832, to \$60,444, for a savings of \$51,388, or 46%. The national pattern is consistent: Coupling community colleges with research universities leads to savings that nearly cut costs in half while earning a student the same credential and providing the opportunity to pursue their specialty with the same prestigious faculty as though they had spent twice the money.

Both the experience and cost are different and unequal but determining which path is best is a personal, empirical, economic decision, not an absolute.

A university experience comes at a cost and there are many ways to package it. Not everyone wants, or can afford, the same experience.

An honest appraisal of a student's goals, interests and resources, as well as the return he or she can expect on a degree can lead to intelligent decision making.

In Texas, Governor Perry wants a \$10,000 bachelor's degree, but even though research universities can become more efficient, they will never be community colleges, and that is the only place that can produce a \$10,000 degree of any kind. The diversity of research university missions and experiences makes it impossible for them to compete on price.

In some states, fees have skyrocketed, allowing elected and appointed leaders to accurately (but not honestly) proclaim that they are keeping the lid on tuition. Though they may cut the pie differently and call one piece fees rather than tuition, the fact is that the cost of university attendance continues to increase.

Parents and students need to study options and make sound choices.

One size does not fit all, but a more seamless interface between institutions of all kinds will produce enough freedom of choice to serve nearly every capable and motivated student, while maintaining academic quality and affordability.

Enlightened leadership puts students and families first.